THE INFLUENCE OF SATISFACTION AND TRUST ON CONSUMER LOYALTY IN MEDAN ORANGES IN MEDAN CITY COMPARED TO IMPORTED ORANGES

Iqbal Fairuz Hasibuan[1]; Netti Tinaprilla[2]; Joko Purwono[3]

[1]Study Program of Master Science of Agribusiness Faculty of Economic and Management, Institut Pertanian Bogor

Email: [1] iqbalfairuzhsb@gmail.com

ABSTRACT

People's lifestyles are changing to meet their needs, and they are increasingly shopping at modern retailers. For Indonesian consumers, the presence of modern retail businesses such as minimarkets, supermarkets and even hypermarkets is very encouraging. Consumers are pampered with various positive things related to shopping convenience, safety, comfort, increasingly diverse product variations, increased product quality, and of course cheaper product prices due to competition. Retail companies not only provide the availability of goods, but also handle various problems that are more related to the psychological aspects of consumers, such as cleanliness, comfort and safety, such as places for cheap goods with good quality, prestige and so on. This research aims to test the influence of all aspects of the marketing mix on loyalty through satisfaction and trust The research uses a quantitative approach with an exploratory approach, the analysis method used is the SEM analysis method with Smart PLS. Based on the research results, it was found that only price influenced satisfaction. satisfaction and trust have a significant influence on loyalty. Furthermore, satisfaction is able to mediate price on loyalty.

INTRODUCTION

Oranges are the most important fruit commodity in the world, with annual production of more than 120 million tonnes. Sweet orange varieties account for 60% of total production, followed by tangerines at up to 20%, and the remaining varieties include Siamese, lemon, kaffir lime, and others. The

majority of oranges grown in Indonesia are 70% Siamese oranges, 20% tangerines and 10% other oranges (Muhamad et al., 2021; Sinambela et al., 2020; Xie et al., 2022). Citrus fruit is still the most profitable fruit crop grown by farmers. Oranges can grow from the lowlands to the highlands and are loved by all ages, from children to the elderly (Hanif, 2020). Indonesian orange imports experienced a decline in tonnage, although in 2019 there was a surge in the value of imports. This means that the price of oranges imported by Indonesia is more expensive than before. This increase was triggered by the increasing national per capita consumption of oranges. The trend of orange fruit consumption in Indonesia is increasing, increasing sixfold since 1995 (Dyck et al., 2012). Currently (2020), the national level of orange consumption is at 4 kg/per capita. Of course, this must be considered as an opportunity, because the domestic market is wide open (Hanif, 2020).

North Sumatra is one of the largest citrus fruit production centers in Indonesia, so that in 2020 North Sumatra has quite large production spread across several districts with Karo Regency as the largest orange producing district producing 1,222,063 quintals followed by the other largest orange producing districts. namely Simalungun Regency with 1,220,546 quintals, Dairi Regency with 239,659, North Tapanuli Regency with 219,065 quintals, Toba Regency with 141,566 quintals, and Mandailing Natal Regency with 112,645 quintals. Based on this background, there are several researchers who have conducted research regarding the analysis of Medan Orange consumer behavior, including the decisions and satisfaction of Medan Orange consumers at Pasar Baru Bogor. (Wardani 2012), consumer attitudes and perceptions towards local and imported oranges in the modern market of Bogor City (Nafisah 2013), and the influence of the marketing mix (4P) on consumer satisfaction and loyalty of Siamese Oranges in Modern Retail in Bogor City (Nafisah, 2014).What is different about this research is that there is a difference between this research and previous research, where in previous research no one has used the trust variable, whereas in this research the trust variable is used as an addition to the variables used. in this research (Caliskan et al., 2020; Oswari et al., 2019; Ramtiyal et al., 2023; Wahyuni & Rini, 2019). Because based on previous research regarding satisfaction, trust in customer loyalty, satisfaction has a positive and significant influence on customer loyalty, as well as trust which has a significant and positive influence on customer loyalty (Praesri et al., 2022; Soerjanatamihardja & Fachira, 2017; Sofiyani & Suroso, 2022; Suryaningsih et al., 2019; Wichmann et al., 2022).

RESEARCH METHODS

The research uses an explanatory method with a quantitative data approach. To analyze the results of this research, this research used SEM-PLS (Malhotra & Hall, 2019).

Method of Collecting Data

Data collection in this study used a questionnaire with a measurement scale used using a Likert scale. The Likert scale method is the method used to collect questions related to the problem in this research. Variable measurements in this study used a 5 point Likert scale. Strongly agree is given 5 point , agree is given 4 point , disagree is given 3 point , disagree is given 2 point and strongly disagree is given 1 point.

Data Analysis Method

The data processing and analysis methods used in this research are qualitative and quantitative analysis. Qualitative analysis was carried out descriptively. Quantitative analysis was carried out using SEM-PLS analysis using the SMART PLS tool.

RESULTS AND DISCUSSION

The results of this research will present each stage of Partial Least Square testing with the Smart PLS 3.3.3 statistical tool. The stages in this testing start from testing the outer model which consists of testing validity and reliability. Next is the inner model testing which consists of Goodness of Fit (GOF), F-Square, and Path of Coefficient testing. Lastly is testing partial/direct hypotheses and indirect hypotheses (mediation) (Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, 2017).

Table 1. Outer Loading Test Results

	Loyalty	Place	Price	Product	Promotion	Satisfaction	Trust
L1.1	0.863						
L1.2	0.893						
L1.3	0.902						
P1.1				0.895			
P1.2				0.919			
P1.3				0.882			
P1.4				0.882			
P1.5				0.877			
P1.6				0.798			
P2.1			0.881				
P2.2			0.851				
P3.1		0.922					
P3.2		0.913					
P4.1					0.936		

Table 1 continued

	Loyalty	Place	Price	Product	Promotion	Satisfaction	Trust
P4.2					0.941		
S1.1						0.945	
S1.2						0.913	
S1.3						0.869	
T1.1							0.868
T1.2							0.926
T1.3							0.904

Source: Smart PLS 3.3.3 (2023)

Based on the results of the outer loading test after several instruments were eliminated, the results showed that the value of all instrument values met the validity assumption because the value of all outer loadings was greater than 0.70 (Hair Jr et al., 2021).

Table 2. Cross Loading Test Results

	Loyalty	Place	Price	Product	Promotion	Satisfaction	Trust
L1.1	0.863	0.691	0.746	0.676	0.696	0.821	0.804
L1.2	0.893	0.758	0.717	0.826	0.775	0.746	0.791
L1.3	0.902	0.703	0.692	0.747	0.703	0.746	0.763
P1.1	0.731	0.757	0.715	0.895	0.738	0.640	0.734
P1.2	0.767	0.768	0.756	0.919	0.750	0.619	0.768
P1.3	0.752	0.703	0.676	0.882	0.728	0.635	0.730
P1.4	0.760	0.716	0.691	0.882	0.715	0.627	0.772
P1.5	0.719	0.761	0.695	0.877	0.736	0.602	0.676
P1.6	0.705	0.620	0.752	0.798	0.679	0.696	0.676
P2.1	0.693	0.601	0.881	0.719	0.718	0.717	0.664
P2.2	0.715	0.874	0.981	0.697	0.685	0.644	0.716
P3.1	0.760	0.922	0.807	0.733	0.686	0.676	0.730
P3.2	0.726	0.913	0.737	0.777	0.794	0.640	0.760
P4.1	0.729	0.724	0.734	0.730	0.936	0.689	0.700
P4.2	0.805	0.785	0.786	0.822	0.941	0.715	0.805
S1.1	0.824	0.712	0.770	0.688	0.707	0.945	0.778
S1.2	0.791	0.650	0.718	0.649	0.648	0.913	0.780
S1.3	0.763	0.592	0.656	0.654	0.688	0.869	0.674
T1.1	0.811	0.800	0.713	0.724	0.676	0.724	0.868
T1.2	0.805	0.729	0.736	0.782	0.773	0.735	0.926
T1.3	0.780	0.660	0.695	0.732	0.718	0.752	0.904

Source: Smart PLS 3.3.3 (2023)

Based on the visible results of the cross loading test, it is known that each research instrument has a cross loading value that is greater than the

comparison value on other variable instruments, so it can be concluded that all instruments have a good level of discriminant validity (Hair Jr et al., 2021). After carrying out the cross loading test, the next stage of testing is the Average Variant Extracted test which can be seen in Table 3 below.

Table 3. Average Variant Extracted (AVE) Test Results

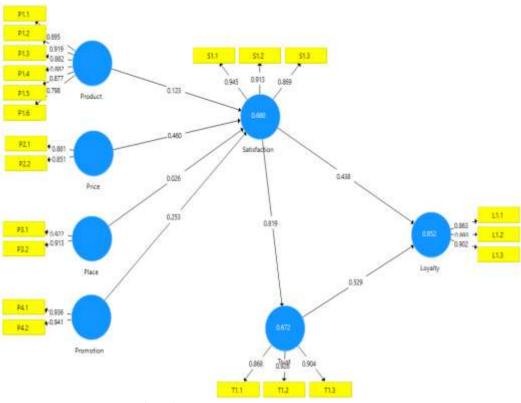|	Average Variance Extracted (AVE)
Loyalty	0.786
Place	0.842
Price	0.751
Product	0.769
Promotion	0.880
Satisfaction	0.827
Trust	0.810

Source: Smart PLS 3.3.3 (2023)

Based on 3, the results obtained show that the AVE value of all variables is greater than 0.5. So it can be concluded that all instruments for each variable meet the terms and conditions of discriminant validity . After carrying out convergent validity and discriminant validity testing, the next test carried out is reliability testing, where in this research reliability testing is carried out with two tests, namely: composite reliability and Cronbach alpha.

Table 4. Composite Reliability and Cronbach Alpha Test Results

	Cronbach's Alpha	Composite Reliability
Loyalty	0.863	0.917
Place	0.813	0.914
Price	0.669	0.858
Product	0.939	0.952
Promotion	0.864	0.936
Satisfaction	0.895	0.935
Trust	0.882	0.927

Source: Smart PLS 3.3.3 (2023)

Based on the test results in Table 4, the composite reliability test results for each variable are greater than 0.60. So it can be concluded that all instruments for each research variable have met the reliability assumptions in composite reliability testing. Based on the test results in Table 4, the Cronbach alpha test results for each variable were also greater than 0.60. So it can be concluded that all instruments for each research variable have met the reliability assumptions in the Cronbach Alpha test.

Source: Smart PLS 3.3.3 (2023)

Figure 1
Outer Model View

Table 5. Direct Hypothesis Testing Results

	T Statistics (|O/STDEV|)	P Values	Decision
Place -> Satisfaction	0.175	**0.862**	**Rejected**
Price -> Satisfaction	3.226	**0.001**	**Accepted**
Product -> Satisfaction	0.855	**0.393**	**Rejected**
Promotion -> Satisfaction	1.751	**0.081**	**Rejected**
Satisfaction -> Loyalty	5.441	**0.000**	**Accepted**
Satisfaction -> Trust	17.174	**0.000**	**Accepted**
Trust -> Loyalty	7.274	**0.000**	**Accepted**

Source: Smart PLS 3.3.3 (2023)

Based on the results of direct hypothesis testing, the results showed that there were eight equations that passed direct hypothesis testing.

Table 6. Indirect Hypothesis Testing Results

	T Statistics (|O/STDEV|)	P Values	Decision
Place -> Satisfaction -> Loyalty	0.173	0.863	Rejected
Price -> Satisfaction -> Loyalty	2.628	0.009	Accepted
Product -> Satisfaction -> Loyalty	0.778	0.437	Rejected
Promotion -> Satisfaction -> Loyalty	1.836	0.067	Rejected
Place -> Satisfaction -> Trust -> Loyalty	0.171	0.864	Rejected
Price -> Satisfaction -> Trust -> Loyalty	3.121	0.002	Accepted
Product -> Satisfaction -> Trust -> Loyalty	0.873	0.383	Rejected
Satisfaction -> Trust -> Loyalty	6.173	0.000	Accepted
Promotion -> Satisfaction -> Trust -> Loyalty	1.492	0.136	Rejected
Place -> Satisfaction -> Trust	0.174	0.862	Rejected
Price -> Satisfaction -> Trust	3.328	0.001	Accepted
Product -> Satisfaction -> Trust	0.846	0.398	Rejected
Promotion -> Satisfaction -> Trust	1.701	0.089	Rejected

Source: Smart PLS 3.3.3 (2023)

Based on the results of indirect hypothesis testing, it was found that 4 hypotheses were accepted while 9 hypotheses were rejected.

The results of this research show that satisfaction is able to mediate the effect of price on loyalty (Cakici et al., 2019; Fiqqih, 2023; González-Viralta et al., 2023; Kartini et al., 2019). Satisfaction is also able to mediate the effect of price on trust, These findings further emphasize that customers who are very satisfied or happy with the products they buy will continue to buy the same products and brands, provide positive information to others, and often become customers for life. Conversely, those who are dissatisfied or feel neutral will immediately switch to a competitor or wait until another marketer offers a lower price before switching. Additionally, dissatisfied customers spread negative and often exaggerated word of mouth (Miao et al., 2021; Saputra & Anggriani, 2020).

Meanwhile, trust is able to mediate the influence of satisfaction on loyalty, These results emphasize that consumer trust is a very important factor in the world of marketing and has received attention in recent years to increase consumer loyalty (Al-Hashedi & Abkar, 2017; Do et al., 2023; Miao et al., 2021; Trivedi & Yadav, 2020). Trust is recognized as the consumer's readiness to rely on the taste of the product to achieve goals. Likewise, trust is an expression of confidence when dealing with a product depending on the thought that the product will continue to be reliable and able to satisfy consumers (Amallia et al., 2021; Trivedi & Yadav, 2018). Consumer loyalty is where consumers are truly satisfied with a product and will continue to buy that product. These are loyal customers whose experience with a product exceeds their expectations and will provide very positive word of mouth about a product to others. So

orange marketers must strive hard to create and design strategies to do so in order to gain customer loyalty (Do et al., 2023; Liang et al., 2008; Nusifera et al., 2020).

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